



IRAQ Status Report

U.S. DEPARTMENT OF STATE
Bureau of Near Eastern Affairs
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

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Politics and Diplomacy

Maliki's 100-day Deadline Expires: Prime Minister Nuri al-Maliki's self-imposed 100-day deadline for progress on improvements in public service provision expired on June 7. As part of its efforts to meet this deadline, the Government of Iraq has shifted funding towards food for the poor and has started projects such as roadwork to repair potholes, building houses, and reserved \$400 million to help pay for generator fuel to alleviate electricity shortages. But, experts say, little long-term change has been effected, and even short-term improvements in basic infrastructure may be inadequate to prevent future protests. (NEA-I-IPOG, [AFP](#))

Economic Activity

Clinton Calls on U.S. Companies to Invest in Iraq: Secretary of State Hillary Clinton, Deputy Secretary of State Tom Nides, U.S. Ambassador to Iraq James Jeffrey, and other leaders from the Departments of State, Commerce, and Energy welcomed senior Iraqi officials, and representatives from major U.S. companies to the State Department on June 3 to discuss commercial and investment opportunities in Iraq. The Secretary spoke of the ability of the private sector to "create jobs, provide livelihoods, increase standards of living, and give hope to individuals and their families." The event highlighted opportunities in Iraq's agribusiness, transportation, housing, banking, and oil sectors. Secretary Clinton acknowledged the challenges by instability, lacking infrastructure, and corruption posed to U.S. businesses seeking to enter the Iraqi market. As part of her commitment to championing women's rights, the Secretary urged

businesses in Iraq to hire more women and relayed her hope that Iraq “takes full advantage of half the population, ready to work, ready to roll up their sleeves to assist in the transformation of their country.” Lastly, she reassured the Iraqi officials present that the United States and its companies are “very committed to making a major civilian commitment to Iraq’s future” and that U.S. companies will work beside U.S. diplomats to achieve shared political, economic, and social goals in Iraq. (NEA-I-IPOG; [State.gov](#))

Iraq Finalizes Two Gas Contracts from Third Bid Round: On June 5, the Iraqi Ministry of Oil signed contracts with Turkish, Kuwaiti, and South Korean international oil companies to develop the Siba gas field in Basra province and Mansuriyah gas fields in Diyala province. The deals will help diversify the country’s hydrocarbons sector and offer the potential of significantly boosting Iraqi production of natural gas, which is desperately needed to fuel increased power generation. At the signing ceremony, Minister of Oil Abdul-Kareem Luaibi said that the contracts offered Iraq “a new beginning for the Iraqi energy industry as it is the first time we are developing Iraqi gas fields. We are seeking to meet the needs of our power stations and to make Iraq one of the leading exporters of gas in the world.” The Ministry of Oil and Korean Gas Corporation (KOGAS) also initialed a contract to develop the large Akkas gas field in Anbar province. Final approval of the Akkas field contract is pending confirmation by the Iraqi Council of Ministers. (NEA-I-IPOG, Iraq Business News)

Iraq Pays Private Sector Debt to Egypt: The Iraqi cabinet has approved paying Egyptian private sector debts totaling \$408 million. Government Spokesman Ali al-Dabbagh said in a statement that this payment is “proof” of Iraq’s commitment to international economic reintegration. Special financial arrangements will be made by the Iraqi Ministry of Finance, according to Paris Club regulations, to transfer the funds. ([Aswat al-Iraq](#))

Civil Society Development

Human Rights Ministry Reaches Out to NGOs: The Iraqi Ministry of Human Rights held a meeting with 30 non-governmental organizations to discuss mechanisms to enhance human rights in Iraq. The Ministry’s spokesman, Kamil Ameen, called for the registration of NGOs and requested that “figures reported by international human rights organizations” be checked for inaccuracies through the Census Departments at the Ministry of Planning. For their part, the NGO representatives noted that a lack of funding and historical non-cooperation by the Government of Iraq as the central impediments to their work. ([Aswat al-Iraq](#))

International Cooperation

UN Aims to Help Iraq Improve Housing for its Poor: The UN Human Settlements Programme (UN-Habitat) has signed an agreement with the Government of Iraq to collaborate on the implementation of a national housing policy and to provide access to financing, land, and home construction to Iraq’s poor and vulnerable citizens. In its new report, *Urban Baghdad: Impact of Conflict on Daily Life*, UN-Habitat and the International Organization for Migration (IOM) and the UN Mission in Iraq (UNAMI) found that Baghdad struggled to provide basic

services to its growing urban population, which has been greatly affected by a large number of internally displaced persons. The UN report calls on the Iraqi government to work with international organizations like the UN, as well as NGOs and civil society groups, to improve its city planning processes, particularly in Baghdad. “Well-planned and managed cities are centers of economic growth and job creation,” commented the UN-Habitat Executive Director Dr. Joan Clos. (NEA-I-IPOG; [UN News Centre](#))

Iraq Pavilion for the First Time in 21 Years at the Venice Biennale: After an absence of 21 years, Iraq will once again have a pavilion at the Venice Biennale art exhibition. The prestigious showing, which occurs every two years, was founded in 1895 to celebrate contemporary international art. Iraq’s display will include works that explore themes such as the Iran-Iraq War and Iraq’s economic and cultural isolation from the world under sanctions. “The exhibition means [Iraqis] can bring to an international audience cultural themes,” commented Vittorio Urbani, co-commissioner of the Iraq pavilion. (NEA-I-IPOG; [CNN](#))

Spotlight on PRT Muthanna

By many measures the poorest province in Iraq, Muthanna’s economy is dominated by subsistence agriculture and livestock cultivation. From the time of its establishment in 2006, PRT Muthanna has enjoyed a close and effective working relationship with provincial officials and community and civil society leaders. Since 2003, the U.S. Government has invested over \$328 million in developing Muthanna’s infrastructure and human capacity. Although PRT Muthanna will close its doors this month, their concerted efforts to introduce contacts to the continuing U.S. diplomatic presence in Basrah reassured the province that their partnership with the U.S. would continue.

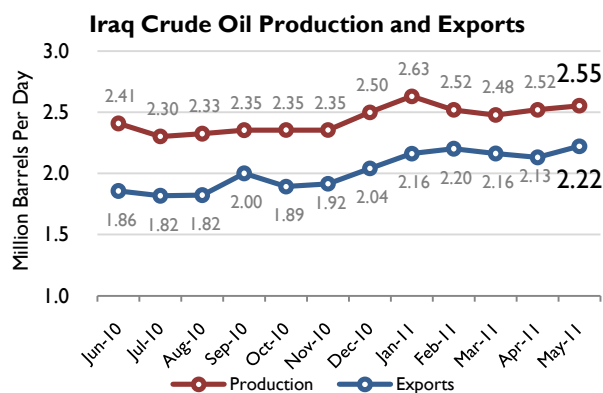
The PRT’s legacy includes a broad range of physical infrastructure projects, including the construction of schools, water purification plants, electrical extensions, roads, and bridges. Although the infrastructure projects are located throughout the province, a concerted effort was made to provide assistance in the province’s neediest areas. The PRT’s technical assistance and demonstration farm efforts in this agrarian society were well received. One of the demonstration projects involved the introduction of seedless table grapes to the province. The PRT also conducted veterinary training and implemented an array of innovative educational programs. A civic education and literacy initiative, for example, has given hundreds of local women a chance to master a basic reading curriculum while learning about their rights and responsibilities as citizens in a democracy. After community leaders and individuals expressed a concern about the state of healthcare in the province, the PRT and their brigade partners hosted a series of seminars for healthcare professionals on topics such as: basic medical care and first aid skills; preventing and treating burn injuries; initial trauma assessment and management; infectious diseases; neonatal resuscitation and pediatric eye evaluation and treatment; and postpartum hemorrhage and third stage emergencies. The PRT made it a point to focus on female healthcare providers as much as possible, as many women in this conservative province will not seek healthcare from male providers. Accounting classes, an economic feasibility study, and computer training have boosted the professional competency of Muthanna’s civil service. The PRT’s art, music, and other cultural programs have reinforced community efforts to foster active

civic participation, especially among women and young people. The recently completed, CERP-funded Friendship Hall facilitates those efforts by providing a place where the public can gather for programs and community events and also serves as a lasting representation of the close bond between the American people and Muthanna province. The PRT's work has led to concrete improvements in the lives of Muthanna residents, while at the same time giving local partners the skills they need to continue making progress on their own. (PRT Muthanna; NEA-I-PRT/T)

Current Economic Indicators

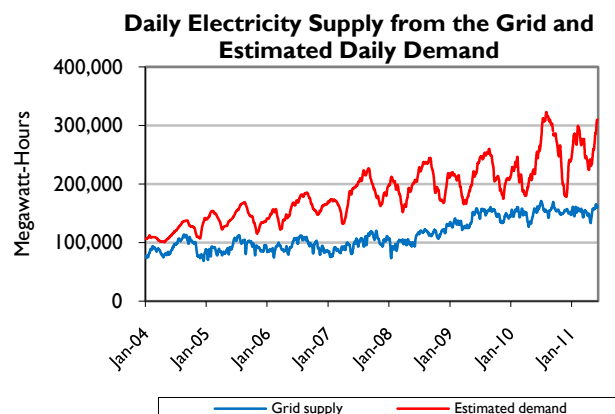
Crude Oil Average Closing Prices (May 23 – June 6)

Basrah Light \$107.03/bbl || Dated Brent \$114.55/bbl || WTI Cushing \$100.20/bbl || Oman/Dubai \$108.16/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$30 Billion (est)



Supply of electricity from the grid May 30 - June 5 was 6% above 2010 and met 52% of estimated demand compared with 61% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Other Headlines

Iraq May Oil Exports Hit 2.225M B/D; Highest Since 2003 ([WSJ](#))

For additional information, please see:

- **Department of State, Iraq Status Reports**
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**
http://www.defenselink.mil/home/features/Iraq_Reports/index.html
- **Central Intelligence Agency, World Factbook**
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

Please forward all questions and/or comments to:
NEA-I-IPOG-DL@state.gov or call 202-663-1584